

MINUTES  
Budget Committee Meeting  
May 30, 2013

The meeting was called to order at 6:00 p.m. by Committee Chair Allen Dawson. Present were Councilors Cate Arnold, Betty Bode, Mark Fagin, and Marc San Soucie, and Members Karmen Bickel, Randy Blake, Allen Dawson, Jose Galindez, Traci Stout, and Alternate Member Geoff Dougall. Councilor Ian King was excused. Also present were Mayor Dennis Doyle; Patrick O'Claire, Finance Director; Randy Ealy, Chief Administrative Officer; Dave Waffle, Assistant Finance Director; Geoff Spalding, Police Chief; Jeff Williams, Patrol Captain; Peter Arellano, Public Works Director; The Oregonian; The Valley Times; and Joanne Harrington, Recording Secretary.

**FISCAL YEAR 2013-14 PROPOSED BUDGET (Continued)**

Chair Dawson opened the meeting for public comment.

Don Walton spoke on the proposed new city hall and the police/court facility. He said moving City Hall to the South Office Building would require building a parking structure to accommodate all of the cars. For the police/court facility, he said it would be cheaper to tear down the current city hall and re-build it rather than remodeling of the current building. He said that he estimates all the costs associated with the move and remodel will cost \$60 million.

Russell Draper said that each year the City's budget increases and the reserves are way down compared to a few years ago. He said the City should put the brakes on spending and keep it balanced.

Barbara Wilson said that she thinks the Mayor is overpaid. She said the \$1 million increase in the City's budget is not justified by the small increase in the City's population. She wants to know that the Budget Committee is careful and conscientious with the citizens' property taxes, but she has doubts.

Councilor San Soucie said making a decision about the move to the South Office Building was a long and complicated process that took place over the last two or three years. He said all of the decisions have not been made as there is more consideration and analysis to be done. He said the input and observations from the citizens tonight is very welcome and appreciated.

Councilor Bode said she voted against moving City Hall to the South Office Building. She said the cost of the move is a concern to her.

Mr. Galindez said the Finance Department is adept and makes changes when it's necessary. He said he realizes that there are things that cannot be controlled and there are some things that need to be done and most importantly history is not set in stone.

Councilor Arnold gave examples of why the City cannot be run like a business. She said the City has to serve its citizens regardless of how many services they require. She said the budget is increasing due to COLA's, PERS, medical coverage, etc. She thanked and commended the group for taking a hard look at what is budgeted.

Mr. O'Claire distributed and briefly discussed the Budget Amendments. Mr. O'Claire said at the May 14<sup>th</sup> City Council meeting, the Council authorized the issuance of up to \$7 million of revenue bonds for tenant improvements. He said that Member Stout submitted amendments to remove the two Sister Cities outbound trips from the budget and to remove the Celebration Parade Expense, and also one to reduce the tax rate from 11 cents increase to 9½ cents by taking ½ cent from each of the funds (Library, Street Lighting, and the General Fund).

He said Councilor San Soucie submitted a zero sum amendment to do some clean-up in the General Fund. The amendment reflects the property taxes that are allotted for the Library going directly to the Library rather than being transferred from the General Fund to the Library.

## **Police**

Chief Spalding introduced Jeff Williams, Police Captain. A presentation was shown of what is happening in the Police Department. Chief Spalding reviewed the Police Department's proposed FY 2013-14 budget.

Chief Spalding said the focus of the Police Department is on education and enforcement. He said the three Es that reduce crashes are: education, enforcement and engineering. He explained the various traffic classes offered to those who receive a ticket that provides education of their violation and dismisses the ticket upon their successful completion of the class. Examples of the classes are crosswalk diversion program and the distracted driver diversion. He said the department's traffic enforcement is an emphasis on public safety.

Chief Spalding said there has been a downward trend in DUII arrests. He said in 2011 there were 652 DUII arrests and in 2012 there were 466.

Chief Spalding said the crash count is fairly flat, but the traffic count over the last six years has increased by 1½% per year which means the crash count is actually decreasing.

Chief Spalding explained the volunteer victim advocate program. There are seventeen volunteer advocates who drive around with the police officers, able and ready to respond to a call of domestic violence to provide additional assistance to the victims.

Chief Spalding explained the impact of social media for the Police Department to market the department in a positive way, but it also acts as a great crime fighting tool.

Chief Spalding said the officer ratio is typically referred to as 1.5 officers per 1000 population is actually 1.48 officers per 1000. He said this is reviewed every year with the Finance Director. He said for the last couple of years they probably could have asked for another officer, but they feel that they are doing fairly well with the resources they have and with respect to the economy and doing their part for the City, they did not ask for more personnel.

Chief Spalding distributed the Police Annual Report. He said it explains the programs offered in the Police Department and gives statistics. He said Beaverton is one of the safest cities in Oregon and twelfth (?) safest nationwide for cities over 75,000 population.

Councilor Bode said the Police budget has a request for \$9,320 of new furniture and she is wondering where it is going since the department is overcrowded. She also questioned Special Department Supplies of \$171,000.

Chief Spalding said ammo is budgeted in the Special Department Supplies line item and the price for ammo has doubled over the years.

Councilor Bode questioned \$61,000 in Police travel line item.

Chief Spalding said the department has 180 employees and the travel budget is used for training purposes. He said when you consider the amount spent per employee; it is a very conservative amount.

Mr. Dougall said the cost per capita has skyrocketed in three years.

Mr. Galindez said Personnel Services is up 6.7% but Materials and Services is down 18%. He said the head count did not increase.

Captain Williams said some of the costs that are associated with furniture are replacement costs and not for additional furniture. He explained the various types of specialized training for the officers and that a lot of it is to keep them up to date with the changes in technology.

Councilor Bode asked for information on the vans to transport prisoners.

Chief Spalding said the County provides a transport deputy and they make regular trips to transport prisoners.

Councilor Bode asked why there is a request for \$30,000 for a van to move prisoners.

Captain Williams said the prisoner van is used for times when Washington County is not available transport prisoners and when prisoners are located in Multnomah County and other jurisdictions.

Mr. O'Claire said in response to the question regarding Police's officer furniture request, in total it does not seem that material to warrant a large discussion at this meeting.

Ms. Bickel asked if more officers will be needed with the development of south Beaverton.

Chief Spalding said with the current population, it does not warrant additional officers. He said they have a concern of response time. He said they are considering realigning the district boundaries so there is a larger concentration of officers in that area. He said as the population increases, they may have to ask for more officers.

Mr. O'Claire said the Police travel budget has been fairly flat over the past few years.

Councilor Bode asked Chief Spalding if the Police budget could be reduced \$500,000 with no reduction of service.

Chief Spalding said if that was Mayor and Council's direction, he would consult with the Police command staff to see where the cuts can be made.

Ms. Bickel asked for an update on the Right Turn on Red program. Mr. O'Claire referred her to page 500.

Mr. O'Claire said the current prisoner transport van has some serious safety issues and needs to be replaced.

Chief Spalding said the Police department is always looking for ways to save money. He gave an example of purchasing the photo radar vans for \$5,000 each which was significantly under market price. As a result, they did not have to purchase a van for approximately \$30,000 for the Police property program.

**Public Works – General Fund, Street, Streetlighting, TIF/Development Tax, Water, Sewer, Storm Drain, Garage, Capital Projects, and Public Works Admin Funds**

Mr. Arellano reviewed the Public Works proposed FY 2013-14 budget. He said seven of the approximately 100 positions that are in Public Works are retiring within this year. He said every one of the seven retiring has about 30 years of experience. He said this is reflective in the training numbers in the budget. He said water funding is starting to constrain the utility restoration projects. He said in some neighborhoods they are taking care of sanitary sewer and storm issues and bypassing the water issues. He said no new positions are being asked for this year. He said due to the storm and sewer mandates; they might have to ask for position adjustments at the supplemental budget time. He said they are in the middle of implementing City Works, the asset management system, across all of the Public Works departments. He explained the new 274 Seasonal Workforce line item. He said they have only four vehicle and equipment requests in the proposed budget.

Mr. Arellano said that he will highlight the few areas where there has been some change and then take questions.

Mr. Arellano reviewed the Public Works – General Fund section of the proposed budget. He said the Site Development program has 7 FTE and by the end of this year, 2 will have retired. He said the Engineering Services program includes a \$3,000 expense for printing the Beaverton Bike map which he recommends as it will reflect the changes associated with Canyon Road.

In the Street Maintenance program budget, Mr. Arellano said that line item 304 Department Equipment Expense reflects an increase due to a LED light board for a truck that can operate without the truck's engine running. Also, in 422 Street Reconstruction Expense reflects a \$400,000 decrease due to reduced funding from contingency and flattening gas tax revenues. He said this will be a subject of a future Council work session on street funding.

In the Traffic Control & Maintenance program, Mr. Arellano said that staff completed a fiber interconnection at Allen Blvd. and Scholls Ferry Road which creates a fiber link between all city-maintained signals and a link between all city-owned buildings including the South Office Building, and it creates a link to Washington County, ODOT, and Portland signal software. This program will be working with CEDD on the way finding project.

In the Street Lighting Maintenance program, Mr. Arellano said the program installs streetlighting on streets that do not have street lights.

Mr. Arellano reviewed the Water System Quality program. He said a significant project that is about to start construction is the water line extension project on Scholls Ferry Road from Barrows Road to Roy Rogers Road. He said OSHA has designated all manholes a confined space which means they are required to have OSHA required rescue equipment on site.

Mr. Arellano said the Sewer Fund is requesting a replacement for a 1999 Dodge truck.

Mr. Arellano said the Storm Drain Fund is also required to have the OSHA mandated rescue equipment for manhole work. He said there is a \$200,000 expenditure for a new street sweeper purchase. He said this was budgeted last year, but it was not purchased as they were waiting for a new fuel technology and for a different cab configuration.

Councilor Bode asked if this will make three street sweepers for the City.

Mr. Arellano said street sweeping is a mandated for water quality. He said two of the street sweepers are used full time and the third one is for backup and is used during leaf season when they run three sweepers.

Councilor Fagin asked if the \$70,000 to clean a culvert beneath Beaverton Town Square was regular maintenance.

Mr. Arellano said that according to Public Works staff that has been with the City for over 25 years, this culvert has never been cleaned out. He said it ties in with the project that was completed in Griffith Park.

Mr. O'Claire asked Mr. Arellano if he was going to review the Capital Projects Fund.

Mr. Arellano said that he did not have any specific items to discuss, but welcomes questions.

Ms. Stout asked why the Seasonal Workforce for Landscape Maintenance line item increased from \$11,000 to \$41,000.

Mr. Arellano said that the Landscape Maintenance Seasonal Workforce was budgeted last year at \$36,000 under Temporary Employees line item. He said after the contract was approved, the remaining funds of \$11,000 for Temporary Employees were transferred to the new Seasonal Workforce line item.

Councilor San Soucie thanked Mr. Arellano for the Capital Improvement Plan and said his staff was very helpful in the review process and in considering suggestions.

### **Non-Departmental – Program 0003**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for Non-Departmental, Program 0003. He said this is the general cost center for services and charges that are generic to the City in total. Also in this program are various transfers. On pages 888 and 889, he explained the Property Tax Rebate Expense. He said the City should consider reducing the allocation for the social service funding in preparing FY 2014-15's budget.

Mr. Dougall asked the cause of the increase in the Beaverton Resource Center Expense line item 352.

Mr. O'Claire said there has been a different agreement negotiated between PAL and the City. The City of Beaverton is taking Beaverton PAL back over from the Greater Portland PAL and to help kick-start them the City has decided to pay their full utility bill.

Mr. O'Claire said for the past four years the City has been paying a subsidy to the Library as shown in line items 831 and 834 on page 893 of the proposed budget. He said a few years ago he mentioned to the Budget committee that the General Fund only has a limited amount of resources that it could dedicate towards support of the branch library and that sometime in the future we will have to raise the property tax rate because the General Fund can no longer support that. He feels that that time has come. This next budget cycle, he is recommending of the 11 cent increase, 6.5 cents go to the library directly from property taxes. He said 3 cents of the increase is going to the General Fund for its general operation and 1.5 cents is going to the Street Lighting Fund.

Mr. Galindez said this conversation of 11 cent increase to the tax rate should have taken place when the citizens who spoke earlier in the evening were present.

Mr. Waffle said this 11 cent increase and its distribution are not locked in for future years.

Mr. O'Claire said the City adjusts the property tax rate each year based on assessment and needs.

Councilor Fagin said this increase is to rebuild the General Fund Contingency and not just for the Library.

Mr. O'Claire agreed with Councilor Fagin's comment.

Councilor San Soucie said this change to the way the property tax is allocated makes it very clear as to how much property tax is spent on the Library.

Mr. Dawson asked Mr. O'Claire to give clarification of the estimated and the proposed tax rate.

Mr. O'Claire turned to page 10 and 11 of the proposed budget and reviewed the Schedule of Taxes Assessed Levy Rates and Assessed Valuations. He said the tax rate for FY 2012-13 is \$4.2379 and the proposed rate is \$4.3479.

Councilor Arnold asked if a lesser amount could be proposed for the tax rate increase. She said that she is on the Library Board and there is pressure to do more at the Library.

Councilor Bode said we should not cut services from one of the community's favorite things, the branch Library.

Mr. Galindez agreed with Councilor Bode and said if there needs to be cuts, maybe we can make them in the General Fund.

Regarding the branch library lease, Ms. Stout suggested the City look into rent relief.

Councilor San Soucie said we should find out the impact on the contingencies of the General Fund, Street Lighting Fund and the Library Fund of Ms. Stout's budget amendment to reduce the proposed tax rate increase by 1.5 cents.

Mr. O'Claire said that he has looked at the impact on these funds' contingencies and he is comfortable with it.

#### **Non-Departmental – Program 0007**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for the South Office Building. He said this program accounts for all the expenses associated with operating the building as it exists today with renting out floors two and three. The biggest expense is the utility expense for the Central Plant.

Councilor Arnold said if you take out the tenant improvements, it costs about \$1.1 million a year to operate the South Office Building.

Mr. O'Claire said that was correct. He said the South Office Building pretty much breaks even when you consider the revenue of \$748,000, and when you take into consideration that we do not have to pay the \$400,000 lease, it totals about \$1.1 million.

### **State Revenue Sharing Fund**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for the State Revenue Sharing Fund. Its main revenue source is \$800,000 of liquor taxes. He said social service funding is budgeted in this fund's 383 Community Services line item.

Mr. Dougall asked how this differs from the Community Services line item in the General Fund Non-Departmental on page 888.

Mr. O'Claire said they are different sources of funds that are used for the same purpose of funding social services.

Councilor Bode asked about the amount transferred to the Beaverton Arts Commission.

Mr. O'Claire said line item 824 Transfers to Beaverton Arts Commission on page 906 explains it in detail.

Councilor Bode asked why the transfer to Beaverton Arts Commission increased in the proposed budget.

Mr. O'Claire said the increase is consistent with the cost of living adjustment and there is some overtime due to the Support Specialist 2 position being a SEIU position.

### **Finance**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for the Finance Department. He said there is about a 3% increase which is pretty consistent with the cost of living, PERS rate increase and medical increases. He said there are not a lot of changes.

Mr. O'Claire said the City has maintained its GO Bond rating of AA+ and AA1 which is one step below the highest rating. He said we received the Budget Award for this year's budget from GFOA and received a clean audit opinion for last year's audit. He said they have completed a new cash receipting module and have re-written the accounts receivable system and we are in the parallel mode of our new paperless purchase requisition ordering and accounts payable system. He said they are revising the City's investment policy and are going out for a Request for Proposal for investment advisory services.

### **Finance – Utility Billing**

Mr. O'Claire said June will be the start of monthly billing for water consumption, water base, sewer base and use. It helps in managing the utility better as they have monthly billed consumption. It is better for the customer because if they have a leak, it will show up in a month rather than two months.

### **Municipal Court**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for the Municipal Court. He said the Court expects to process almost 7400 more citations this fiscal year than last fiscal year which is about a 24% increase. He said there are about 27 participants in the B-SOBR program which is funded by a grant through the Oregon Department of Transportation (ODOT). He said the grant will currently expire September 30, 2014. He said ODOT has submitted their approval for funding for this program for an additional year. He said requests for the online traffic school course has increased and currently there are 4500 people signed up. When a person completes the course, their fine is dropped and they only

have to pay a fee. He said the Court's WINCS system is fifteen years old and is planned to be replaced in the near future.

### **Information Systems Fund**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for Information Systems Fund.

Councilor Fagin asked for an explanation of the creation of City business contingency site in Hillsboro, page 1008 of the proposed budget.

Mr. O'Claire said through the Mayor's efforts we were able to secure from Tri-Met two sets of fiber lines along the light rail line to Hillsboro so we could have a back-up emergency site if something were to happen to City Hall. He said everything is also backed up to the Library site so once this site is operational we will have two back-up sites for a period of time.

### **Geographic Information Systems Fund**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for Geographic Information Systems Fund (GIS).

### **Capital Development Fund**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for Capital Development Fund. Mr. O'Claire described the four programs in this fund.

Councilor San Soucie asked why the Canyon Road Alternate Bike Network was not set-up as a Capital Project.

Mr. O'Claire said that since it is using General Fund revenue, it could not be a Capital Project.

Mr. O'Claire said that a Budget Amendment will create the Tenant Improvements at the South Office Building program in this fund.

### **General Bonded Debt Fund**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for General Bonded Debt Fund. He said the Library is the only outstanding bonded debt which will be paid off in FY 2018-19.

### **Assessments Debt Service Fund**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for Assessments Debt Service Fund.

### **Water Debt Service Fund**

Mr. O'Claire reviewed the proposed FY 2013-14 budget for Water Debt Service Fund. He said there are three water bonds outstanding. He said they are planning to propose a bond issue in FY 2015-16.



There being no further business to discuss the meeting was recessed at 9:46 p.m., until Thursday, May 31, 2013, at 6:00 p.m.

Recorded by  
Joanne Harrington  
Recording Secretary

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APPROVED BY Karmen Bickel, Secretary